



Companions & Homemakers

Testimony of David L. Denvir
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Companions & Homemakers, Inc.

Government Administration and Elections Committee Public Hearing

HB 5816 AAC AUDITS BY STATE AGENCIES

Tuesday, February 25, 2015

Senator Cassano, Representative Jutila and distinguished members of the Labor and Government Administration and Elections Committee:

My name is David Denvir. I am General Counsel for one of Connecticut's largest Homecare employers, Companions and Homemakers, Inc., and I thank you for this opportunity to submit testimony with respect to HB5816 and suggest limitations on the use of extrapolation during provider audits.

Companions and Homemakers has provided in home, non-medical care for seniors living in each of Connecticut's cities and towns since 1990. Many are Medicaid recipients under Connecticut's Home Care Program for Elders. We support legislation targeting Medicaid fraud, yet ask this Committee to recognize that audits directed toward revenue recovery, not fraud detection, endanger homecare by increasing the considerable obstacles confronting providers in Medicaid waiver programs.

By example, Connecticut's Medicaid reimbursement for non-medical homecare increased by only \$.15 per hour in the last seven years. Minimum wage increased \$.40 per hour this year and will increase by another \$.45 next year. Provider employers now shoulder new costs from the Affordable Care Act. Flat reimbursement rates and increased expenses have left no economic breathing room. Audits using inequitable extrapolation methods can levy a fatal financial blow to providers already working on the thinnest of margins.

We encourage you to require the fair use of extrapolation by means of three restrictions I shall discuss in brief.

First, clerical errors should be repaid dollar for dollar, never extrapolated. Each caregiver and senior must both sign a service record on each day of service. A different record, each day, for each senior. One caregiver may submit ten or more service records each week. Presently, an audit may deny a paid claim because a checkmark, date or signature is omitted or misplaced on that service record, even though it is proven that the service was provided. Extrapolation punishes the provider for that error hundreds of times over. For larger providers, thousands of times; even though service was provided.

Companions and Homemakers processes nearly 400,000 service records annually. With large numbers, error is inevitable; but error is not fraud. Extrapolation based upon clerical error places paperwork above care and serves no purpose than to exponentially penalize a provider for isolated instances of human error; error no training or oversight can fully eradicate.

Providers internally detecting clerical error quickly retrain or reassign the person responsible. Yet, providers are punished by extrapolative application of that error for an entire year or more, denying claims for a period that far exceeds the timeframe that errors occurred.

Second, signature disallowances should not be extrapolated in the Homecare Program for Elders. Signatures of even the healthiest seniors deteriorate as age advances, or with debilitating illness, such as Alzheimer's, Parkinson's, reduced vision or dementia. Homecare is often administered while a senior rests or after they've received medication, and we think it inappropriate that caregivers must disturb a resting senior to sign (or resign) a service record. Similarly, hourly caregivers shouldn't police signatures to be certain that a client (for example) named Elizabeth doesn't one day sign their name as Beth, Betsy, or Liz.

Signature verification is cost prohibitive. Providers simply cannot scrutinize every signature, on every service record, every day, for every client. Extrapolating claims denied on the basis of a signature penalizes providers for something outside their control: the handwriting of someone they don't employ, with an infirmity requiring homecare, who has no reason to be concerned whether or how they sign their name.

Third, extrapolation should be limited to findings of fraud, sustained error rates and repeated failure to remediate. Providers committing fraud should receive the

highest sanction, and providers unwilling to correct sustained errors should be penalized for their negligence. Most providers, however, voluntarily police themselves, and a provider implementing measures to improve performance should not be subjected to the same penalty as one that disregards compliance standards.

The issues presented by clerical errors and signatures may seem complex, but the practicalities are fundamental matters of fairness and common sense. Thank you for your consideration.

By _____

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